

Downtown Raleigh Properties - Master Developer Request For Qualification



The Power Plant 601 East Pratt Street, 6th Floor Baltimore, Maryland 21202 (410) 752-5444 (410) 659-9491 (Fax)

Writer's Direct Dial Number

10 November 2003

Daniel Howe, Strategic Projects Manager City of Raleigh - City Manager's Office 222 West Hargett Street Room 228, Raleigh Municipal Building Raleigh, NC 27601 (919)890-3070

Re: Request for Qualifications, Master Developer – Downtown Raleigh Properties

Dear Mr. Howe:

In response to the RFQ for Downtown Raleigh Properties dated October 22, 2003, please accept this letter as a request to be exclusively considered as the master developer for this joint development opportunity.

Company Background. The Cordish Company's origins date back to 1910, when Louis Cordish began developing office and apartment complexes in the Baltimore/Washington area, and encompasses four generations of privately-held family ownership. Over the last ten decades The Cordish Company has grown into a multi-billion dollar conglomerate including one of the leading real estate development companies in the United States and a diverse group of successful operating businesses. The company was organized along its present line by David Cordish in the mid 1960s. David, Louis' grandson, is now chairman of The Cordish Company. Three of David's sons: Jon, Blake and Reed, are principals in The Cordish Company. The Cordish Company's real estate development and operating companies are diversified, with divisions focused on entertainment/mixed-use, gaming/lodging, shopping centers, restaurants/clubs/music, office, and residential/student housing. Non-real estate operating subsidiaries include a media distribution company and a private equity investment group. The company is the only developer to receive five prestigious Urban Land Institute Awards of Excellence, and has received consistent recognition as the leading national developer for urban revitalization projects. The Cordish Company enters its eleventh decade well-capitalized, with significant liquidity and highly energized to continue its growth.

The Cordish Company remains a family-owned business that values quality and excellence in its operations, long-term relationships and integrity. The Cordish Company has assembled fully integrated teams of highly dedicated and knowledgeable professionals to manage all facets of its businesses including construction, engineering, architecture, financing management, legal, etc.... As a testimony to the Company's commitment to quality and the long-term vision of its leadership, the Cordish Company still owns and manages virtually every business it has developed since inception and has long term client relationships with such major companies as Disney, ESPN, Hard Rock, Omni Hotels, etc....

The Cordish Company has received the highest possible national awards in its various areas of expertise. In real estate, the Cordish Company has received an unprecedented five Urban Land Institute Awards of Excellence. Its media distribution subsidiary, Cordish Media Inc., has distributed five Academy Award-nominated films, including one Academy Award winner.

Best known for its real estate expertise, The Cordish Company is the largest and most successful developer of entertainment districts and concepts in the United States. In particular, the company has unparalleled experience in creating and revitalizing high-profile destinations in urban core locations. Many of the Cordish Company's projects involve public/private partnerships and are of unique significance to the cities in which they are located. A prime example is the company's prominent role in the redevelopment of four highly successful projects in Baltimore's world-famous Inner Harbor.

As a developer, The Cordish Company has built, owns and manages over fifteen (15) million square feet with a market value of over three (3) billion dollars. In 1981, while continuing to develop conventional retail projects, The Cordish Company began to undertake and complete mixed-use projects and specialty entertainment retail centers. These projects are located in both suburban and urban areas, are of unusual importance to the cities in which they are located and all involve some form of cooperation or partnership between the developer and the city. Each project was constructed on or ahead of schedule. To date, The Cordish Company has maintained ownership of virtually every project they have ever built, and all of the projects developed by The Cordish Company have remained economically viable.

The Cordish Company is a fully integrated commercial development company with a comprehensive internal structure that covers all development disciplines including leasing, marketing, construction and management after completion. A highly dedicated and experienced team of professionals is positioned along vertical disciplines through the partner level. The technical expertise among the departmental personnel is clearly one of the Company's most invaluable resources. Moreover, the long tenures of many employees create a corporate esprit-de-corps and have also helped to nurture stable relationships with clients. For instance, the leasing department has continually kept tenant occupancy levels on company-wide basis at approximately 98%. Importantly, good tenant relationships has also meant that many national tenants lease space in multiple locations which makes leasing a project like the properties in Raleigh substantially easier. At the executive level, partners are responsible for oversight and coordination among departments and sit directly on the company's Executive Board with David Cordish. As the founder and chairman of The Cordish Company, Mr. Cordish remains intimately involved with the daily operation of the company from top to bottom.

Key Personnel of The Cordish Company.

David S. Cordish, chairman and CEO of The Cordish Company, began developing regional, community and neighborhood shopping center and office buildings in 1968. In 1981, after having interrupted a successful development career to serve as Director of Urban Development Action Grants (UDAG) of the U.S. Department of Housing and Urban Development, he began a second division of the company that specializes in the development and redevelopment of multi-use downtown urban projects. In addition to his service at HUD, Mr. Cordish has been appointed to a variety of civic leadership positions. He has chaired the Baltimore City Housing Authority, the Baltimore City Harbor Endowment Foundation, and several public policy task forces appointed at various times by the Mayors of Baltimore. Mr. Cordish has served as mediator for John Hopkins University and Loyola College in major development projects and how they relate to the neighborhoods around them. Mr. Cordish holds bachelor and master's degree from John Hopkins University. He graduated from the University of Maryland School of Law in 1963, where he was editor of the law review.

Partners in The Cordish Company who will also be directly responsible for the project include: Glenn Weinberg, Joseph Weinberg, Charles F. Jacobs, and Reed Cordish. Other members of the development team will include Michael Morris, Robert Fowler, Alan Hicks, and David Jackson. The principal person assigned to negotiate on behalf of The Cordish Company will be Blake Cordish. Mr. Cordish has an address at c/o The Cordish Company, 601 East Pratt Street, Sixth Floor, Baltimore, Maryland 21202. Mr. Cordish's phone number and fax numbers are respectively 410-752-5444 and 410-659-9491.

Glenn L. Weinberg is currently a partner and Vice President of Shopping Center Development and Management for The Cordish Company. He is a member of the Maryland and District of Columbia Bars and was an associate in the Real Estate Department for Frank Berstein Conway & Goldman for approximately five years. At such firm, Mr. Weinberg handled real estate legal for many developers, including Enterprise Development Corporation. Mr. Weinberg left Frank Berstein Conway & Goldman to become a partner in The Cordish Company in 1986. Since then, he has been closely involved with many of its downtown redevelopment projects such as Trolley Square, Boulevard at The Capital Centre and Towson Circle. In addition, Mr. Weinberg is involved in many charitable organizations and is currently on the board of directors of Comprehensive Housing Assistance, Inc. (CHAI) and Weinberg Gardens (an elderly housing project in Baltimore County being developed jointly with HUD). He was also selected to be a Trustee of The Harry Weinberg Family Foundation, a support foundation of The Associated Jewish Charities with assets valued at greater than one billion dollars. Its goal is to provide funding for the elderly and poor.

Mr. Weinberg holds a bachelor's degree from The George Washington University, a JD degree from The University of Baltimore Law School and an L.L.M. degree (Taxation) from the National Law Center of The George Washington University. Mr. Weinberg was an editor of the law review and has been a practicing attorney since 1981, and a development director of The Cordish Company for seventeen years.

Joseph S. Weinberg is a partner and Vice President of Gaming/Lodging Development for The Cordish Company. He joined the company as a partner in 1988, and has been involved in the development of many of the company's urban and specialty projects including The Power Plant, Power Plant LIVE!, Trolley Square, Ocean City Factory Outlets and Tollgate Marketplace. Mr. Weinberg is currently overseeing the development of the Paradise Resorts in Tampa and Hollywood, Florida. Prior to joining The Cordish Company, Mr. Weinberg served in several strategic planning, financial and business development capacities with Bozell, Jacobs, Kenyon & Eckhardt, Dallas, Texas, providing consulting services to such clients as American Airlines, Dial Corporation and the Dallas Mavericks. A graduate in business from The University of Virginia, Mr. Weinberg serves on the boards of directors of numerous charitable agencies and trusts.

Charles F. Jacobs is currently General Counsel, a partner, and Vice President of the Legal Division for The Cordish Company. He is a member of the Maryland and New York Bars and was an associate in the Real Estate Department of Frank Bernstein Conway & Goldman for five years. At such firm, Mr. Jacobs handled real estate legal work for many important urban projects including Bayside Marketplace in Miami, Florida, and Union Station in Washington, D.C. Mr. Jacobs joined The Cordish Company in 1988 as a partner and has been involved with Bayou Place, The Park Plaza, Boulevard at The Capital Centre, Riverside on the James, The Power Plant of Hampton Roads, The Furness House, and The Power Plant. He holds a bachelor's degree from the State University of New York at Binghamton. He graduated cum laude from the Benjamin N. Cardozo School of Law in 1983, where he was a member of the law review. After graduating from law school, Mr. Jacobs served as law clerk to the honorable Rita C. Davidson of the Court of Appeal of Maryland.

Blake L. Cordish is currently a partner and Vice President for the Finance Division of The Cordish Company. Mr. Cordish's responsibilities include new developments as well as financing for The Cordish Company. Mr. Cordish focuses primarily on urban public-private developments. Mr. Cordish played an active role in the development of Bayou Place, Gateway Village, Boulevard at The Capital Centre, and The Pier IV Building, while his current responsibilities include 4th Street LIVE! and Bayou Place LIVE!. Prior to joining The Cordish Company approximately, Mr. Cordish worked in the Investment Banking Division of Schroders, a British merchant bank. Mr. Cordish specialized in mergers and acquisitions in the healthcare industry for Schroders. Mr. Cordish holds a bachelor degree from Princeton University where he graduated magna cum laude. Mr. Cordish serves on the boards and governing bodies of numerous charitable and non-profit agencies.

Reed Cordish is currently a partner and Vice President for the Urban Entertainment Division of The Cordish Company. The Urban Entertainment Division has successfully developed over a dozen major mixed-use and specialty entertainment projects throughout the United States. Prior to joining The Cordish Company, Mr. Cordish was a world class professional athlete on the Association of Tennis Professionals Tour (ATP). Mr. Cordish graduated from Princeton University, where he was awarded the prestigious William Roper award for scholastic and athletic excellence. Mr. Cordish is involved in fund raising for numerous charitable agencies and non profit institutions. He resides in Baltimore City.

Strengths of our Development Team.

Development Standards, To date, The Cordish Company has maintained ownership of virtually every project they have ever built, and all of the projects developed by The Cordish Company have remained economically viable. Each project was constructed on or ahead of schedule. These projects are located in both suburban and urban areas, are of unusual importance to the cities in which they are located and all involve some form of cooperation or partnership between the developer and the city. Due to the longevity of ownership by The Cordish Company, these projects are built to the highest standard of quality.

Financing Expertise, TCC has developed over three (3) billion dollars of commercial real estate over the last thirty five (35) years. A division of TCC specializes in public-private partnerships that often require intricate and unique financing structures. For example, in a mixed-use parking, hotel, retail and conference center project in Charleston, SC called Charleston Place, one layer of the financing included a \$70 million tax exempt financing for the garage component. Or for example, TCC recently closed a \$410 million tax exempt financing for two (2) resort facilities in Florida.

Financial Strength, Unique to most developers, in thirty-five (35) years and billions of dollars of project, TCC has never used an outside source of equity financing. TCC has the financial resources to, and often does, self-finance its project without the use of third party debt. The Developer has shown an exemplary track record for completing and financing projects. The Developer has borrowed several billion dollars in its history, while completing every project it has ever undertaken and never having failed or defaulted on a project with a lender. Major national and local lenders are intimately familiar with the Developer's track record and the proposed development. These lenders are all collectively and individually ready, willing and able to finance the cost of development. Separate and apart from the above, the Developer has a net worth, liquid, far in excess of the cost of development. Moreover, the Developer stands ready, willing, and able to build the development entirely out of its own internal funds, should that be necessary or beneficial. This ability and willingness to self-finance has been done countless times by the Developer. For example, Bayou Place and its ongoing expansion have been constructed with Cordish Company equity. In addition, The Power Plant, which is being built out to the specifications of international tenants such as Disney, Hard Rock, Barnes & Noble, Arthur Anderson, etc. was basically constructed entirely with Cordish equity. As a result, the Developer is not constrained by the cost or availability of third party debt.

Governmental Sector Experience, The Cordish Company has successfully completed more large-scale, public-private projects than any other developer in the United States. The Company has worked with state governments, city, county and tribal nations to develop billions of dollars of successful projects. The Company has unparalleled in-house expertise in this arena and unique appreciation for the complexities and sensitivities of large scale public-private development.

MWBE Participation, The Cordish Company is committed to a team-wide significant participation by Citycertified, minority and women owned businesses in all phases of work. In every urban project completed to date, the developer has met and exceeded the minimum MBE/WBE utilization goals defined by each particular city and this project will be no different. The Developer will exceed the minimum requirements imposed by City ordinances and regulations for hiring of minority and women contractors in connection with the capital improvement phase of the project. In addition, the Developer will also put into place a program to encourage and assist in the financing of minority participation in the occupancy of the facility itself, and anticipates the active contribution of the City of Raleigh to this program through the Office of Employment Development. The Developer has successfully operated similar programs with the City of Houston, Baltimore, Louisville, Charleston and in other cities. Furthermore, the Developer will provide for the maximum opportunity for minority participation in all other phases of the project; including, but not limited to, equity ownership, financing, construction, legal, marketing, hiring and management. In addition, the development team will initiate a community employment outreach program for Raleigh residents.

Nationally Acclaimed Team, The Cordish Company (TCC) is widely recognized as one of the leading National Developers of urban mixed-use projects. TCC is the only company in the United States to have been awarded the Urban Land Institute (ULI) Award of excellence for project of the year in the United States on five (5) separate occasions. TCC has worked with the nation's best architects, general contractors, consultants, and partners, and will tailor a specific team to match the project. A project of this significance and complexity warrants a development team with National experience and perspective, while maintaining a local focus and creativity.

National Retail Expertise, In it's retail division, TCC has developed, managed, leased and still owns over fifteen (15) million square feet of successful retail projects around the United States. In the metropolitan areas, TCC has developed projects such as The Power Plant, Power Plant Live!, 4th Street LIVE!, Bayou Place, Trappers Alley, The Walk, High Falls LIVE!, and Charleston Place just to name a few. There are

few development companies in the United States that can match TCC's portfolio and aptitude in urban retail projects. The Cordish Company is renowned as being the leader in successfully completing challenging urban projects into dynamic successes. Steve Wesson, Vice President of Reading Entertainment, stated, "We choose Houston for our first expansion of the Angelika Film Center because we believe in the City and because we have absolute confidence in The Cordish Company as the premier urban entertainment developer in the United States." Art Levitt, Jr., President of Disney Regional Entertainment, stated in a press conference announcing the location of Disney's first ESPN Zone in the United States at The Cordish Company's Power Plant development, "One of the main reasons we are coming to Baltimore is David Cordish."

Operational Experience, The Cordish Company's real estate development and operating companies are diversified, with divisions focused on entertainment/mixed-use, gaming/lodging, shopping centers, restaurants/clubs/music, office, and residential/student housing. Non-real estate operating subsidiaries include a media distribution company and a private equity investment group. The company is the only developer to receive five prestigious Urban Land Institute Awards of Excellence, and has received consistent recognition as the leading national developer for urban revitalization projects. The Cordish Company enters its eleventh decade well-capitalized, with significant liquidity and highly energized to continue its growth.

Performance Capability, The Cordish Company has a proven track record of producing the highest quality urban mixed-use development found anywhere on the world today. Its projects enjoy a high degree of fiscal prosperity and accolades for being responsive to challenging market parameters.

The Cordish Company has built in cities across the United States exciting and profitable development projects that compliment what currently exists in the area as well as what is planned for the future.

Relevant Projects include:

4th Street LIVE! 4th Street LIVE! will be the epicenter of the downtown retail and entertainment renaissance. Phase I of the project will total approximately 300,000 square feet of retail and 140,000 square feet of office. National retail tenants include Borders Books & Music, Footlocker, Hallmark, US Post Office, TGIFridays, Hard Rock Café, T-Mobile, CVS, Premier Health Club, and many others. Office tenants include AIG and HCA Healthcare. The \$70 million project is well under construction and is scheduled to open the weekend of the Kentucky Derby in May, 2004.

Bayou Place. The developer was originally selected in a request for proposal over nationally recognized development companies to develop the vacated Albert Thomas Convention Center into a high-energy entertainment center. Fearful of losing convention business and resident interest to competitive cities with more vibrant nightlife, the City of Houston wanted an anchor project to launch a cultural and recreational revival of their downtown. After George Lucas was unable to complete the development, The Cordish Company was awarded the project due to "the comprehensive appeal of the developer's plan and its financial feasibility."

The property sat as an abandoned island in the heart of the city's business and cultural centers. The Wortham Symphony and Opera Hall, the Alley Theater, Pennzoil Tower, Texas Commerce Centre, Jones Hall and the Music Hall are adjacent. The challenge was to use nightclubs, restaurants, movies, and performance halls, to enrich and invigorate the existing world-class opera, symphony, ballet and performing arts theaters that surround the site without damaging the integrity of the institutions. The developer has designed an entertainment complex that complements its surroundings while providing new and exciting activities for downtown visitors.

Phase I of Bayou Place, a \$20 million development, opened December 31, 1997 with 22,000 people paying to attend a grand opening party. Bayou Place houses approximately 150,000 square feet of restaurants, movie theaters, nightclubs, and the 3,000 seat Verizon Wireless live performance theater. Bayou Place has been awarded the Urban Land Institute Award for Excellence. Phase II, which is scheduled to commence shortly will contain destination retail, entertainment venues, additional restaurants, parking as well as hotel and residential towers.

Charleston Place. Charleston, South Carolina, has developed a long tradition of preserving its buildings and was the first city in the nation to adopt an historic district ordinance. However, in the late 1970's, Charleston saw itself losing its competitive position as a national tourist and convention destination due to a lack of adequate conference and hotel facilities. At the same time, Charleston saw the need for new development and revitalization in its downtown. Many historic buildings were in need of restoration, and there had been a steady decline in downtown retailing, as shops moved off King Street, the city's historic retail corridor, to suburban locations. To help reverse these trends, the City identified for redevelopment a one-block site in the heart of the historic district, a location that provided the opportunity to establish a vital activity center linking King Street with the historic Market District. The City used its powers of condemnation and financial assistance to control the site and conducted a competition to select a developer. The original developer's plans called for a twelve-story hotel and conference structure. Considerable opposition from citizens and community groups resulted in litigation, which delayed development of the property. Because of these delays and financial problems, the original developer was unable to continue with the project and the City conducted a second competition to select a replacement developer.

The Cordish firm, in partnership with the Taubman Company, Inc., was selected and acquired the property from the original developer. The development team's first effort was to respond to criticisms of the project and adapt the design and program to reflect the community's desires. The challenge was to design and build, on a restricted, irregular site, and economically viable multi-use project of sufficient mass to contain all of the required facilities, while maintaining the scale and character of downtown Charleston's unique architectural environment. The 550,000 square foot development includes a five hundred-room luxury five-star hotel, extensive conference and convention facilities, restaurants and entertainment areas, a 440-space parking garage, a health and fitness center. In addition, placed along King Street and two other sides of the project, twenty-seven unique, upscale retail shops occupying 82,000 square feet.

The development of Charleston Place involved extraordinary public-private interaction at city, state and Federal levels. Financing for the \$86 million project included \$50 million in industrial revenue bonds, \$11.85 million of public financing for public improvements and funds provided by the city and the state highway department. Public improvements included the restoration of twelve historic buildings on Meeting Street in which several retail shops are located. The quality of the Charleston Place development has revitalized the City's tourist industry, attracting large, prestigious conferences and, for the first time, major conventions. Charleston Place has created over 800 new jobs and established the downtown as a regional retail attraction; extended pedestrian activity on weekends and evenings; and generated enormous new capital investment downtown. Since commencement of the project, there have been sixty-nine complete historic building restorations on King Street and thirty on adjacent streets. The project has been a financial success from the beginning. Occupancy rates at the hotel have exceeded pro forma projections. Most of the quality retail stores are the only outlet of their kind in the Charleston area and have exceeded their initial sales projections. The city operated parking garage operates at a profit. The experience of Charleston Place proves that a 550,000 square foot development can be designed to fit into a fragile historic environment, maintaining and enhancing that environment while achieving commercial success. On November 28, 1986, the National League of Cities convened in San Antonio for a conference. The editors of the San Antonio

Light wrote: "Charleston has made planning history and has given a lesson in intelligent citizenship to America centers...a melding of the old and new has breathed life into a dead area of the city."

The exclamation point on the project occurred in 1995 when Saks Fifth Avenue commenced construction directly adjacent to the existing project. Perhaps the esteemed Mayor Joseph P. Riley of Charleston best summarized David Cordish's contribution:

David's a problem-solver, an innovator. Understand we critically needed a quality development to occur at that location. And what we wanted was a project that was not only visionary but could turn a profit. We've got one of the greatest success stories in urban America. It's achieved everything we had hoped for, and it wouldn't have happened without the involvement of David Cordish. [The Baltimore Sun]

The Capital Centre. Abe Pollin, Chairman of the Board of Centre Management, developer of the USAir Arena in Landover M.D., and owner of the National Basketball Association's Washington Wizards and the

National Hockey League's Washington Capitals, entered into a partnership agreement with the Cordish Company. The Cordish Company is transforming the defunct USAir Arena into a 600,000 square foot mixed-use entertainment and retail complex. The Cordish Company is bringing high quality users that have previously refused to come to the ethnic market. Recently, The Cordish Company announced that The Capital Centre will be anchored by a 16 screen, 4,500 seat Sony Magic Johnson Theaters. In addition, the project will feature many of the leading national lifestyle tenants such as Borders Books & Music, Pier 1 Imports, Linens'N'Things, Men's Warehouse, Lane Bryant, Pizzeria Uno, Kay Jewelers, Children's Place, Bugaboo Creek Steakhouse, and others. The editors of The Washington Post wrote: "Cordish's relationship with these retailers is key to his success. Many have rented space in other new Cordish developments, confident that the company's entertainment-style retail formula can create consumer demand for shopping in areas bereft of retail." The project will feature a "main street" design evoking images of small town America with an emphasis on tree-lined streets and wide pedestrian sidewalks. The County Councilman Samuel H. Dean (D-Mitchellville) summarized this development in the following manner: "This will be a very significant economic project for Prince George's County. It will bring quality retail and entertainment to an area that has been under-served for way too long. The Cordish Company has delivered." The new construction project will cover approximately 70 acres and will incorporate a new metro-stop, which is being extended to the development. The total cost of the development is approximately \$80 million. The project opens November 15, 2003.

Hopkins Square. Hopkins University approached The Cordish Company in the fall of 1998 to redevelop a failed project. Hopkins Square is an historic mixed-use building across from the main campus of the University which included apartments and office space overtop of two floors of 100% vacant retail. Over the six previous years, Hopkins University had spent millions of dollars with two other developers in failed attempts to revitalize the project. The objective of the University was to create a "college town" of lifestyle retail amenities for its students that were missing from the area. In less than a year, The Cordish Company has leased 95% of the development to uses such as XandO, a high-end coffee bar, Record and Tape Traders, Tenapachi, an upscale hair salon, Kinko's, Ruby Tuesday's and others. The Director of Development for the University said, "The efforts of The Cordish Company have been extraordinary. Hopkins Square is exactly what we envisioned."

The Power Plant. In March of 1996 the City of Baltimore chose The Cordish Company, from an international list of developers, to redevelop the long vacant and failed Power Plant. Less than a year and a half later the Power Plant opened as an instant success, as Hard Rock Cafe became Baltimore's first international theme restaurant. The mixed-use development includes a flagship Barnes and Noble, the first-ever Disney ESPN Zone, and a 40,000 square foot health club facility. The ESPN Zone has instantly become one of the most successful entertainment concepts in the United States. In previous years, ABC broadcast Monday Night Football from the ESPN Zone, which brought Baltimore and estimated \$200 million of free media exposure to the City of Baltimore. The upper floors of The Power Plant were converted into 120,000 square feet of class A office space, and fully leased to nationally recognized companies such as Arthur Anderson. The Power Plant recently expanded by approximately 220,000 square feet that includes additional entertainment and office space in a twelve-story new construction building with national tenants such as Ernst & Young, Pier IV Seafood Kitchen + Bar, and Munnie Mae. The Power Plant was also awarded with the prestigious Urban Land Institute Award for Excellence. This was The Cordish Company's fifth ULI Award: no other development company in the United States has more than two.

The Power Plant of Hampton Roads. The Power Plant of Hampton Roads will be the premier retail and entertainment development within the dynamic Hampton Roads market. Lowes Home Improvement is open for business and achieving tremendous sales and will soon be joined by a 120,000 square foot Bass Pro Shop, which opens November 17, 2003 and multiple other national restaurant, retail, and entertainment tenants which are under construction. The architecture, aesthetics, and tenant mix of the development are first class in every regard, with the main feature being a boardwalk promenade around a 13 acre natural lake which will allow for strolling between shops and outdoor seating for restaurants.

Power Plant LIVE!. Power Plant Live! is a 320,000 square foot mixed use project which will contain 160,000 square feet of office space, and 160,00 square feet of the leading restaurant, entertainment, and live performance tenants in the country. PPL! includes tenants such as: The Improv!, Ruth's Chris Steakhouse, Howl at the Moon, McFadden's Irish Pub, Have a Nice Day Café, Bar Baltimore, Lucille's, The Havana Club, Babalu Grill and Maryland Art Place (please see below for a description). Power Plant Live! is a series of interconnected historic buildings with tremendous aesthetic character on both the exterior and interior. The project opens to a central plaza will be activated with outdoor seating, fountains, lights and landscaping features. Of note, Power Plant Live! is the only commercial project in the City outside of the professional sports stadiums with an arena liquor license so alcoholic beverages can be served both inside and out. The Power Plant and Power Plant Live! have proven to be a remarkable successes. For example, Ruth's Chris Steakhouse consistently grosses in excess of \$6.0 million in annual sales which makes it one of top performing units in the United States. Have A Nice Day grossed over four million in sales its first year, making Power Plant Live! its number one location out of eighteen across the country. In addition, our tenants (as well as other tenants throughout the Inner Harbor) outperform comparables in other markets on a store-by-store by approximately 15% to 20%. For example, the Baltimore ESPN Zone is far and away the highest grossing unit in the United States consistently outdrawing other units by over 20%.

Towson Circle. Located in the heart of downtown Towson, The Cordish Company transformed a vacant, four-level department store into a thriving, mixed-use retail project. The building, the once venerable Hutzlers Department Store, was a vacated eyesore for almost fifteen years before The Cordish Company redeveloped it. The \$25 million project opened this year and now features tenants such as Barnes & Noble, Pier One, Bally's Health Club, HomeLife, and others. Towson Circle is now being expanded to include a 300-room hotel and a 22 screen multiplex theater. Baltimore County has agreed to build an 800-car garage to help support the expansion of the project. Towson Circle is credited with solidifying downtown Towson. Based on this success, Baltimore County officials have lobbied The Cordish Company to master plan the redevelopment of several blocks surrounding the project

Trolley Square. In August of 1988, a development team consisting of The Cordish Company and Melvin Simon & Associates, Inc., reopened a 300,000 square foot shopping, dining and entertainment center in downtown Salt Lake City. Prior to the developer's involvement, the project had witnessed a series of failed redevelopment attempts by other groups. The project is named for its centerpiece, an historic trolley car barn built in 1908. The developers acquired the project out of bankruptcy with the cooperation of the City and transformed the property into the focal point of retail/entertainment activity in Salt Lake City. Added attractions include a landscaped commons, additional parking facilities, an international food court, a number of high-end restaurants, and several multi-screen cinemas. The developers retained the quaint turn of the century atmosphere of Trolley Square through careful use of vintage materials such as brick paved floors, wrought iron balconies and lavish structural components, including stained glass and ornamental staircases, taken from old Salt Lake City mansions. Restored trolleys add to the charming ambience of Trolley Square.

The \$35.0 million project has been a remarkable success story since its opening. The second most visited tourist attraction in the State of Utah; tenant occupancy levels have never been below the ninety-five percent level and sales per square foot average in excess of \$350. The tenant mix includes thirteen high quality restaurants, three separate movie chains and traditional national retailers such as Polo, Banana Republic, Esprit and dozens of others.

The Walk. Atlantic City Walk will feature a main-street design with wide tree-lined pedestrian promenades. The central design theme will be based upon historical Atlantic City with two story high signage throughout the project. Tenants will be given their own unique building facades to project their identities. Creativity in exterior and interior store design will be highly encouraged. The end goal will be an unforgettable experience that will redefine Atlantic City. The project represents a unique opportunity to capitalize on an enormous visitor and residential market that is completely underserved from a retail/restaurant/entertainment perspective. The project encompasses a majority of the land between the Atlantic City Convention Center and the existing anchor casinos (Bally's, Trump, Caeser's, etc). The project is located in the heart of Atlantic City at the crossroads of Michigan and Atlantic Avenues. In addition, the project is ideally positioned at the only way in and out of Atlantic City at the entrance/exit to

the Atlantic City Expressway. The project will cover ten (10) city square blocks totaling over 800,000 square feet of national retail, restaurants, and entertainment tenants. Phase I will total approximately 310,000 square feet and will be anchored by fashion tenants such as Polo, Timberland, Guess, Coach, Tommy Hilfiger, Nautica, Reebok, Levis, Liz Claiborne, etc. as well as 70, 000 square feet of restaurant/entertainment tenants. Phase I of Atlantic City Factory Outlets will open November 22, 2003.

In conclusion, for over three decades, The Cordish Company has undertaken and successfully completed challenging real estate projects. There are few companies in the country that can match The Cordish Company's track record in urban and specialty entertainment retail developments. Almost every one of the urban development projects we have undertaken was considered nearly impossible prior to our involvement. Throughout, The Cordish Company remained true to a philosophy that all of our developments must be of high quality and built, designed, leased, and managed for the long haul. In recognition of these accomplishments, we have received the highest possible national and international awards for excellence for our urban entertainment developments. Based on our history, The Cordish Company has recently been selected in international competitions to develop large-scale mixed-use sites in Atlantic City, New Jersey; Landover, MD; Louisville, Kentucky; Hampton, Virginia; and Hollywood and Tampa, Florida.

The Downtown Raleigh Properties RFQ represents an almost identical opportunity to projects that The Cordish Company has successfully completed in cities throughout the United States. Raleigh, North Carolina is similar to other cities we have worked with, such as Baltimore Maryland, Houston Texas, and Charleston South Carolina. The development projects were of special importance to their respective cities because of their geographical location and their inherent difficulties. Clearly, one of single greatest challenges facing Raleigh is to select a developer that can provide an economically feasible plan that will stimulate growth and vitality, utilizing the strengths of Raleigh and the areas surrounding businesses and attractions. The end product, we believe, will be a mixed-use development consisting of retail, entertainment and cultural attractions of the highest quality.

I have enclosed a copy of our corporate brochure and a selection of articles about The Cordish Company and our projects that I thought would be of interest. We look forward to your review of the enclosed and to discussing further the Downtown Raleigh redevelopment project. In the interim, if I should you have any further questions or comments, please feel free to contact either myself or Blake Cordish.

Very truly yours,

David Cordish Chairman, The Cordish Company

enclosures

cc:

Blake Cordish Michael Morris Quotes About The Cordish Company:

"David's a problem-solver, an innovator. Understand, we critically needed a quality development to occur at that location. And what we wanted was a project that was not only visionary but could turn a profit."

The Honorable Joseph P. Riley, Jr.

Mayor of Charleston, South Carolina

"He's definitely tough, he knows what he's doing, and he's very thorough in his negotiations. But he's also been very honest and fair. I've been dealing with him for four years, and he's a man of his word."

G. J. Tollett

Director of Convention Center and Entertainment Complex Houston, Texas

"The most important thing is that we got an internationally renowned developer who knows the mix of uses that could make a project successful. David Cordish is what we believe is going to make the difference."

The Honorable Kurt L. Schmoke

former Mayor of Baltimore, Maryland

"We are continuing to undergo extensive urban redevelopment and look to the success of the Bayou Place public-private partnership as a model for future projects. The effort that you [Cordish] put into the Bayou Place project and its resulting fulfillment has earned you the respect of us all."

The Honorable Lee P. Brown

Mayor of Houston, Texas

"The conversion of the obsolete Albert Thomas Convention Center into the Bayou Place entertainment complex has proved wildly successful."

The Houston Chronicle

Section A, Page 25, Editorials May 15, 1998

"Niagara Falls retail and entertainment had been on a precipitous down turn for approximately twenty years. The City canvassed several dozen developers across the country, none would take the risk until we approached David Cordish. The result was public/private partnership that worked to perfection. Rainbow Centre won the Urban Land Institute Award for Excellence and deservedly so. The Cordish Company honored every commitment they made to us, written or otherwise, and their development spawned a number of new projects around Rainbow Centre."

The Honorable Michael O'Laughlin

former Mayor of Niagara Falls, New York

Quotes About The Cordish Company Continued:

"Nothing new had been built, of a retail nature, for many years in Detroit's downtown. Most of our retail had closed. The Cordish Company not only predicted they would succeed where others had failed and they actually produced everything promised. They did so at considerable risk and by virtue of a significant personal financial investment. The result of their vision, efforts, and money was a spectacular festival marketplace that gave hope to our entire downtown."

The Honorable Coleman Young

former Mayor of Detroit, Michigan

"Trolley Square had been foreclosed on by the lender when The Cordish Company came into the picture and not only revived a dying project but also took it to spectacular heights. In doing so, they created an absolutely fabulous and unique retail entertainment environment that draws heavily from our local population and also serves as an important tourist attraction for the city and region. Trolley Square represents the best in urban development, a highly successful commercial venture, while at the same time preserving a wonderful historic building and our cultural heritage."

The Honorable Deedee Corradini

former Mayor of Salt Lake City, Utah

"What The Cordish Company has done with The Power Plant has to be a model for recycling afficionados all over the world. Not only is it exciting and pleasing to the senses, but it has to be very economically successful in the long run - as well as a marquee investment in the short."

Mr. Martin Millspaugh

Vice Chairman Enterprise Real Estate Services, Inc.

"Cordish is one of the few (developers) that bridges the gap and interfaces well with government folks. He's able to work through some complicated projects. His past experience as director of the Federal Urban Development Action Grants program for the Department of Housing and Urban Development gave him the ability to work well with governments, and it compliments his development skills."

Mr. Jim Kennedy

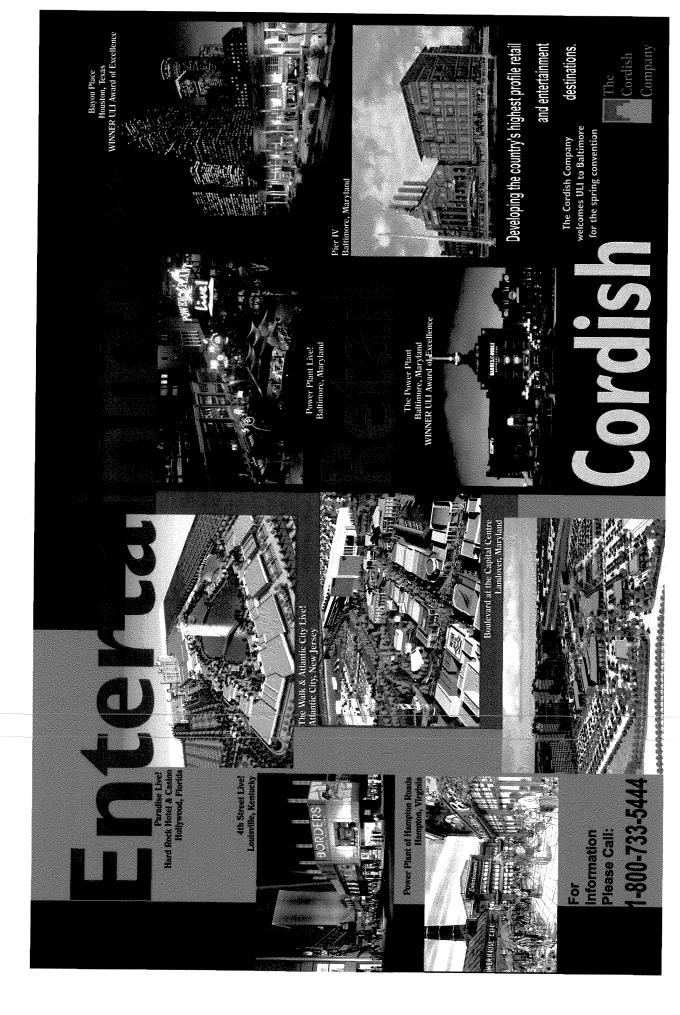
Executive Director of the Casino Redevelopment Authority, New Jersey

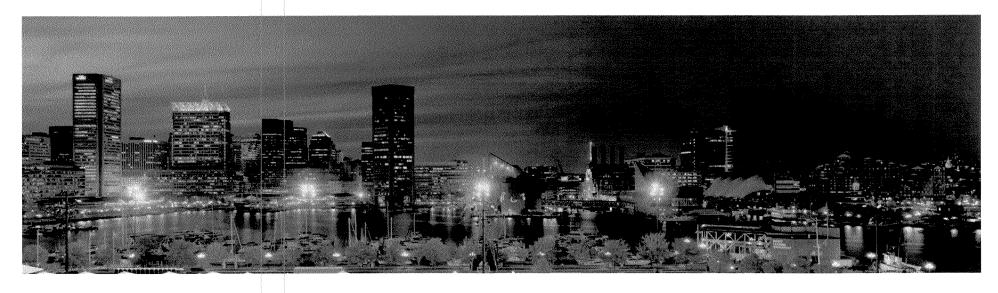
"The Cordish Company is one of Baltimore's brightest visionaries, transforming the white elephant that was the Power Plant into a thriving destination for tourists."

The Baltimore Business Journal

December 24-30, 1999

The Cordish Company





The Cordish Company

DIVISIONS

Entertainment & Mixed-Use
Gaming and Lodging
Shopping Centers
Residential & Student Housing
Restaurants/Night Clubs/Live Music
Media & Film
Office
Private Ventures
Legal

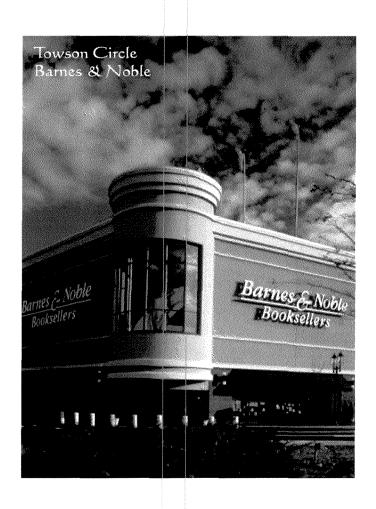
Projects by THE CORDISH COMPANY







A selection of projects by THE CORDISH COMPANY





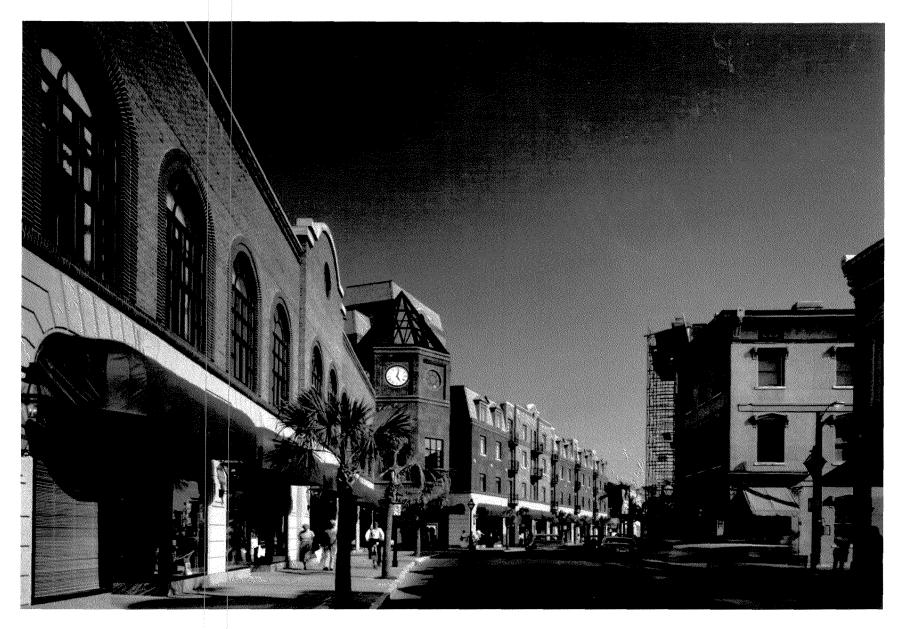


Charleston Place

Charleston, South Carolina

WINNER ULI Award of Excellence





King Street Charleston, South Carolina



BAYOUPLACE Houston, Texas Winner ULI Award of Excellence

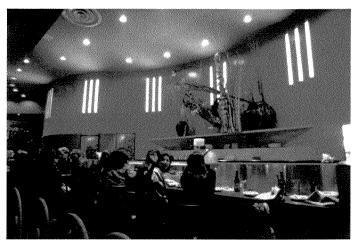


BAYOUPLACE Houston, Texas





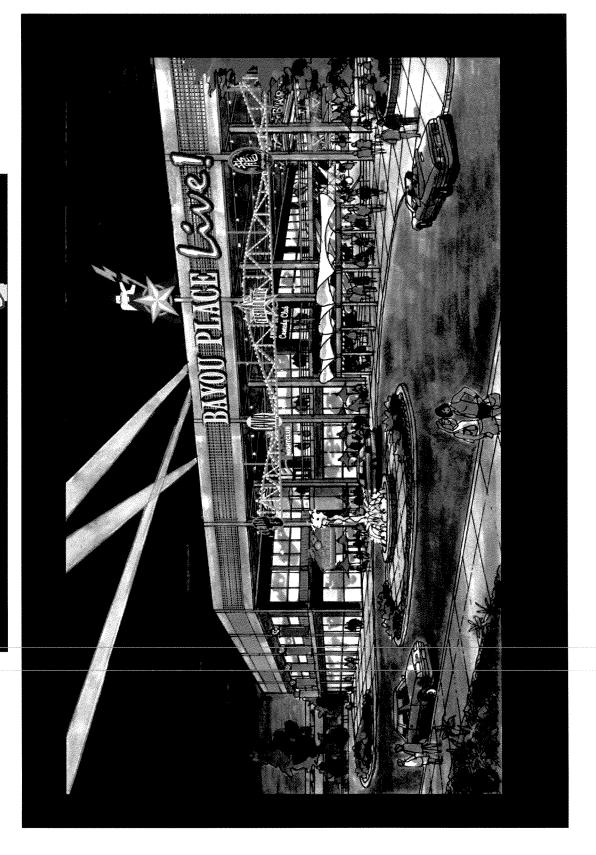








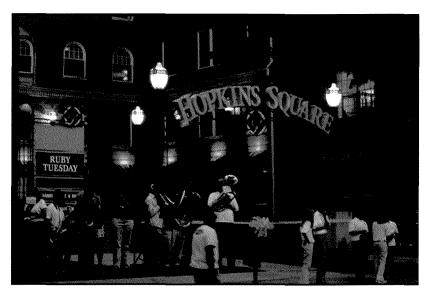
BAYOUPLACE Theater District Entertainment Complex

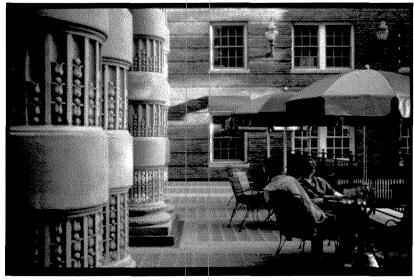


HOPKINS SQUARE

John Hopkins University

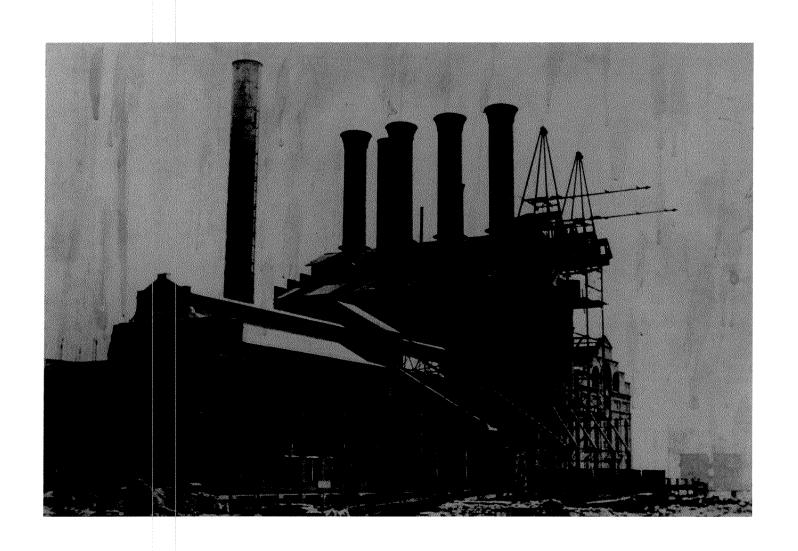








The Power Plant: 1930



The Power Plant: 1985





Winner ULI Award of Excellence





